

#### Members

Sen. Kent Adams, Chairperson  
Sen. Beverly Gard  
Sen. Nancy Dembowski  
Sen. Larry Lutz  
Rep. Win Moses  
Rep. Matt Pierce  
Rep. Timothy Neese  
Rep. Jeff Thompson



## RECYCLING EVALUATION COMMITTEE

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Authority: IC 2-5-21-11

### MEETING MINUTES<sup>1</sup>

Meeting Date: August 5, 2003  
Meeting Time: 10 A.M.  
Meeting Place: State House, 200 W. Washington St., 431  
Meeting City: Indianapolis, Indiana  
Meeting Number: 1

**Members Present:** Sen. Kent Adams, Chairperson; Sen. Beverly Gard; Sen. Nancy Dembowski; Rep. Timothy Neese; Rep. Jeff Thompson.

**Members Absent:** Sen. Larry Lutz; Rep. Win Moses; Rep. Matt Pierce.

#### Call to Order and Introduction of Committee Members

Senator Kent Adams commenced the meeting of the Recycling Evaluation Committee at 10:08 am. He outlined the meeting agenda and asked the Committee members and staff to introduce themselves.

#### Overview and Discussion

Sen. Adams addressed the charge of the Committee, providing a handout with excerpts from Legislative Council Resolution 01-09 and from IC 2-5-21 (Exhibit 1). He explained that the resolution called for a report prepared by LSA. He noted that the statute governing the Committee addressed the items that LSA may evaluate, the Committee review of the report, and the ability of the Committee to make recommendations. Sen. Adams suggested that any recommendations of the Committee be addressed to the

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Environmental Quality Service Committee. Sen. Adams asked for Committee comments or questions.

Sen. Beverly Gard asked if the Legislative Council would be interested in the Committee exploring: (1) the separation process for solid waste districts and how the splits affect the people in the counties, and (2) other issues that deal with the financial interests of solid waste management districts. Sen. Adams indicated that the Committee would look at these issues either by having people testify at this meeting or at a future meeting.

#### Presentation on State-Funded Recycling Programs

Without any further questions or comments, Sen. Adams called on Karen Firestone, Fiscal Analyst, Legislative Services Agency, to provide highlights of the *Issues Relating to Recycling and Solid Waste Management Programs* report. Ms. Firestone gave an overview of state-funded recycling grant and loan programs, whether state or local units should coordinate recycling programs, and the coordination of state recycling programs (Exhibit 2). In addition, she reviewed the formula used to evaluate state waste diversion performance.

#### Discussion of Presentation

Sen. Adams then opened the floor for discussion. Sen. Nancy Dembowski clarified that the presentation had addressed the state, not the county, Solid Waste Management Fee. Rep. Timothy Neese asked about the basis for 35% reduction in solid waste noted in the presentation. Ms. Firestone explained that landfills and transfer stations were required to report to the Indiana Department of Environmental Management (IDEM) concerning the amount of waste disposed of, and that the amounts reported do not include all recycling. Rep. Neese said that if recycling were measured, the state waste reduction rate could be higher than the estimated rate.

Sen. Gard directed questions to IDEM concerning the development of the formula to measure waste reduction and its baseline. Tonya Galbraith, Director of Business and Legislative Relations, IDEM, introduced Bruce Palin, Deputy Director, Office of Land Quality, IDEM. Mr. Palin said that the baseline was based on diversion rates provided in district plans, and that the districts had developed the amounts by their own surveys or by using national surveys such as the Franklin Study. He indicated that this was the best available information at the time, and that there is current discussion on whether a review of the baseline is in order. Jim Mahern, Assistant Commissioner, Office of Pollution Prevention and Technical Assistance, IDEM, said that the way states track waste does not easily provide for the establishment of a baseline.

Sen. Gard asked about the Waste Tire Fee in regard to the CR3 tire fire in Muncie. Mr. Palin stated that the company is checking the limits of its insurance policy, and that it was not yet known whether the state, through the Waste Tire Management Fund, would pay for the cleanup. In response to Sen. Gard's next question, Tiffany Sorge, Recycling Market Development, Department of Commerce, indicated that CR3 had received a loan from the Indiana Recycling Promotion and Assistance Fund (IRPAF) for \$500,000 in 1993. The loan was in default and turned over to the Attorney General's Office for nonpayment of \$400,000. Ms. Sorge noted that the equipment purchased with the grant money is no longer on the CR3 premises.

Sen. Adams asked about the status of the Atwood tire cleanup site. Mr. Palin indicated that all of the piles had been removed at a cost to the state of about \$3.8 million.

Sen. Gard asked if the Department of Commerce would rethink some of the projects undertaken by IRPAF. Mr. Mahern said that there is a large overcapacity of tires and that IDEM is working with Commerce to find uses for the capacity. He said that IDEM has provided \$100,000 to the joint project, but there are funding issues. Ms. Sorge said that there is much more scrutiny of projects, including review by the agency, review by its board, and ensuring that permits are in place before awarding funds.

Sen. Adams asked Ms. Sorge to continue her discussion of the IRPAF. She distributed a handout (Exhibit 3) and discussed highlights including tighter oversight and increased scrutiny to reduce defaults. Also, she said that there are more application requirements and that businesses are now able to meet additional requirements. She said that regional offices are assisting in expanding the program and that they are getting more competitive projects. In response to a question from Sen. Adams, Ms. Sorge indicated that the Department of Commerce has received interest in grants in amounts that are greater than current program levels and that they would like to see the oversight board increase the caps for these programs.

Sen. Adams asked if Commerce agreed with the division of the tire fee. Ms. Sorge indicated that Commerce agreed that IDEM should receive the funds from the fee and that the agencies were completing a memorandum of understanding to that effect.

Mr. Mahern addressed the Committee concerning other ways to measure effectiveness of recycling. He said that in 1999, 95% of the population was within 5 miles of a recycling drop-off, but that by 2002, 95% of the population was within 8 miles of a drop-off center. Also, in 1999 there were 196 curbside programs and 650 drop-off locations, but in 2002, there were 79 curbside programs and 521 drop-off centers. Mr. Mahern said that there were several factors, including the economy, indicated in the decline.

#### Plans for Next Meetings

Sen. Adams asked IDEM and Commerce to put together information concerning legislation for the third meeting.

Lance Hodge, Director, Association of Indiana Solid Waste Management Districts, indicated that 20 or 30 district directors intended to attend the next meeting and suggested that a larger room may be necessary.

#### Final Comments

Rep. Neese asked if other states include incinerated waste in calculation of recycling rates. With an affirmative answer from Ms. Firestone, Rep. Neese said that he is convinced that Indiana's 35% diversion rate is lower than actual. He indicated his support for districts having some sort of reporting system.

Sen. Dembowski returned to the issue of economic factors lessening the accessibility to recycling. She indicated that she had experienced communities becoming victims of their own success. As programs expand, the community is disinclined to raise fees to support additional services.

Jim Parker, Indiana Recycling Coalition (IRC), introduced the IRC as a group involving businesses that works with local units and IDEM to develop recycling. He provided the Committee with the consensus position of the IRC including: (1) Continued state support for IDEM and Commerce, (2) Support for the technical and education assistance provided by the agencies, (3) Support for state initiatives such as the Greening the Government

program, (4) Sharing information between and among state and local units, and (5) Continued financial support for grants to the business sector. Mr. Parker concluded, saying that the Beck report underestimates the size of the recycling industry in Indiana. He indicated that his own business was not included in the survey underlying the report. Sen. Adams asked Mr. Parker to provide more background and a copy of his comments.

Rep. Thompson asked that IDEM and Commerce confirm that they are in agreement on the division of fees. The agencies said that they were. Sen. Gard asked about a recommendation from Commerce concerning fee collection incorporated in the agency's written comments. Ms. Sorge indicated that the recommendation referred to the LSA report and suggested that clarification as to the collection of the tipping fee would be helpful.

Sen. Adams called on Rep. Richard Mangus to address the Committee. Rep. Mangus indicated that he had supported the recycling bill. He now had two questions. First, he asked what is a recycled product. He explained that a newspaper may say that it is using recycled paper, but really it only contains 1% recycled materials. Second, he asked if units that send waste out of state for disposal should receive state grants for recycling. Rep. Mangus then addressed a mandatory recycling fee charged by the St. Joseph County Solid Waste Management District, saying that he did not agree with the fee. Also, he said that paper is incinerated at the city/county building in St. Joseph County rather than recycling the paper. Rep. Mangus said that education was mentioned five times in the statute concerning solid waste management districts, because you have to start with the children and the schools to increase awareness of recycling. He concluded by asking if the Legislature intended that government not recycle while requiring residents to do so. Sen. Adams thanked Rep. Mangus for his comments.

Sen. Gard asked if Hancock County Solid Waste Management District could be included in the agenda for the next meeting and if staff could provide a copy of the statute on dissolving multicounty solid waste management districts and information about other counties that have separated. Sen. Adams agreed.

There being no further business to consider, the meeting was adjourned at 11:35 am.